

Open Society Forum Voters Education Center Globe International Justice Initiative

**"CAMPAIGN FINANCE MONITORING FOR 2004
STATE GREAT HURAL (PARLIAMENT) ELECTION"
REPORT**

**2004
ULAANBAATAR**

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Abbreviations

SGH	State Great Hural
GEC	General Election Committee
CRA	Citizens Representative Assembly
EDC	Election District Committee
EDSC	Election District Sub-Committee
MDC	Motherland-Democracy Coalition
MPRP	Mongolian People’s Revolutionary Party
MUTP	Mongolian United Traditional Party
MNSP	Mongolian National Solidarity Party
MGP	Mongolian Green Party
MLP	Mongolian Liberal Party
RP	Republican Party
RTVA	Radio and TV administration
MNTV	Mongolian National TV
UBS	Ulaanbaatar Broadcasting System

EXECUTIVE SUMMARY

“Campaign finance monitoring for 2004 Parliamentary election” has been jointly carried out by the Open Society Forum, Voters Education Center and Globe International, to monitor the misuse by political parties and candidates of state institutional and media resources during the election campaign, biased coverage of political parties and candidates in private media, and political advertising by political parties and candidates in both state and private media.

The monitoring was conducted during the election campaign period from April 26 to June 26 of 2004, as prescribed by legislation. The project was composed of the following primary tasks: monitoring campaign events and media coverage in TV, radio and newspapers; conducting analysis on the gathered data; estimating the cost of state resources misused and the cost of political advertising; and providing reform recommendations for restricting the misuse of state resources. Public awareness campaign on consequences of such misconduct was also a part of the monitoring project provided for the society at large.

The main findings of the project were the following.

Campaign events. 80% of campaign events organized by the MPRP took place on state-owned premises free-of-charge¹, 98% of the government vehicles used for campaign purposes and monitored during the project were used by the MPRP, and 99% of the public employees engaged in the campaign and monitored in the project participated on behalf of the ruling party. The total estimated cost to the public purse of misuse institutional resources was **1.393 billion tugrugs**¹ (1,180,537 USD), 99% of which benefited the MPRP and the remainder the Motherland-Democracy Coalition.

Misuse of state media. The state owned media was widely abused during the election campaign, overwhelmingly on behalf of the MPRP. The estimated cost of this abuse was **1.764 billion tugrugs**, with 96% of this benefiting the MPRP and 2.3% the Motherland-Democracy Coalition.

Political advertising. The rough estimated cost of political advertisements was 1.140 billion tugrugs in total, 56% of which benefited the MPRP and 31% of which benefited the Motherland-Democracy Coalition. The MPRP dominated advertising in all media.

Hidden advertising in private media. The project yielded an estimated cost of hidden advertising in private TV and newspapers of 1.535 billion tugrugs.

The estimated total cost of the campaign activities monitored was 5.832 billion tugrugs. Of this, the estimated total cost of misuse of all types of state resources – i.e. the cost to the public purse - was 3.158 billion tugrugs, of which the MPRP was responsible for 2.935 billion tugrugs and the Motherland-Democracy Coalition for 195 million tugrugs. The significant findings on the latter party underline that misuse of state resources is a systemic phenomenon stemming from inadequacies in laws and the regulatory framework, and is therefore likely to be repeated by any party in power.

¹ Rate USD 1 - 1180 tugrugs as of July 19, 2004

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The accuracy of official declarations. The project revealed massive discrepancies between the figures on campaign income and spending published by the General Election Commission and the costs of campaigning estimated by the project, with the exception of figures on standard political advertising. According to project estimates, the total cost of *monitored* campaigning exceeded official declared total spending by almost four times, the estimated cost of misuse of state resources for events was more than four times higher than officially declared spending on such events. The cost of misuse of the state media alone was around 70% higher than official total spending on advertising and exceeded total declared campaign spending. Last but not least, hidden advertising in private media was the second most costly component of campaigning.

The project findings yielded important recommendations relating to the legal framework governing election campaigns, its enforcement, and regulation and management of public media

ONE. PROJECT DESCRIPTION

1.1 Goals and objectives

The main goals of the monitoring project were:

- 1 Documentation of the misuse of state resources during the election campaign.
- 2 To assess the accuracy of parties’ official declarations of their campaign spending.
- 3 Raise public awareness of the problem of misuse of state resources in elections, in order to encourage a climate of intolerance towards such misuse.
- 4 Contributing to fulfill voters’ rights to obtain accurate and unbiased information on the election.
- 5 Contribute to the creation of an environment less conducive to corruption.

The project objectives, through monitoring of election campaign events organized in the selected electoral districts, and TV channels, radio, print media during election campaign, were to:

- 1 Collect data and evidence on misuse of state resources, analyze and estimate the cost damage of such misuse
- 2 Monitor political advertising by political parties and candidates.
- 3 Compare the results of both 1 and 2 with parties’ official declarations of their election campaign spending.
- 4 Develop recommendations to restrict the misuse of state resources during election campaigns and to otherwise improve the system of regulation of election campaign finance.

1.2 Misuse of state resources in political campaign

Transparency of political campaign funding is one of the main loci of democracy. It is very expensive to operate a political party, particularly during an election campaign. Unchecked campaign financing often results in corruption, where favors demanded in turn for donation, and that such favors, usually in forms of legislation designed explicitly for personal benefit and/or favorable conditions, thereby diverting public assets onto private interest of the few. Moreover, it is a common practice for ruling parties to channel state funds/resources to their political campaign, serving the partisan interest.

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There are three main types of corruption connected with election campaigns, namely:

- Donations to parties and candidates in return for illicit advantages;
- Misuse of state resources for electoral purposes, and
- Vote buying.

As true in many other post-socialist countries, misuse of state resources has emerged in Mongolia as a problem that appears to be as serious if not more serious than standard corruption via donations to parties.

The more widespread such misappropriation of funds will become, the more likely it will be that the principles of democracy such as free and fair election will be endangered. Misuse of public funds in political campaign makes it impossible to have fair election with equal possibility of participation, and gives advantage to the ruling party only. This inequality creates an environment in which the ruling political party is provided with exclusive opportunities to maintain its hold on power, while dramatically reducing the probability of electoral success for non-incumbent parties.

State resources may be abused in a wide variety of ways, varying from ‘coercive’ abuses such as intimidation of opposition candidates, to softer misuses of state resources in order to conduct an election campaign. Examples of the latter include in particular three main categories of misuse:

1. ‘Institutional resources’ - for example:

- 1 Engagement of civil employees in campaign activities during their official work time
- 2 Use of state premises, vehicles, etc. for campaign purposes, organization of campaign events with the organized attendance of employees of the government employees.

2. ‘Budget resources’ - for example:

- 1 Distribution of goods to voters, in the forms of gifts and commodities
- 2 Services purchased with budget money; promise of allocating the budget funds
- 3 Sudden budget payments during the course of an election campaign without a clear explanation or justification
- 4 Direct allocation of budget funds to incumbent parties or candidates, other than state subsidies allocated for that purpose.

3. ‘Media resources’ - for example:

- 1 Direct violation of media regulations in order to provide advantages to incumbent parties of candidates (for example, allocating free advertising time on an unequal basis)
- 2 Hidden advertising on behalf of candidates or parties, or against non-incumbent candidates or parties.

In most of the former socialist countries the misuse of state resources has become an issue of concern, and in many of these countries such misuse has been especially visible during pre-election periods.

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1.3 Project organization

The leader of the project was Ms. R. Burmaa, Director of the Voters Education Center and member of the General Election Committee, and project coordinators were Ms. J. Chantsaldulam, officer of the Voters Education Center, and Ms. J. Tuul, project officer, Globe International. Analysis team members were Mr. D. Lamjav, Mr. D. Tserenjav and Ms. S. Oyuntuya. The international partner of this project was the Open Society Justice Initiative². The Justice Initiative funded the services of Dr. Quentin Reed, an independent consultant who provided expertise during the course of the project. In addition, Lolita Cigane of Providus, Latvia, a partner organization, provided expertise in the methodology development.

Open Society Justice Initiative focuses on political corruption issues, particularly on combating corruption in the financing of political parties and electoral campaigns. The Justice Initiative has documented and systematized existing NGO practices and expertise to develop a multi-dimensional approach that allows NGOs to monitor campaign financing in a way that best reflects their own objectives and national circumstances. The Justice Initiative’s major innovation is issue of public resource abuse for electoral purposes. In partnership with Center for Anti-Corruption Research and Initiative/TI Russia, the Justice Initiative carried out the monitoring of the political abuse of “administrative resources”.

Prior to implementation of the project the team has participated in the regional training "Election campaign finance monitoring", which was organized in December 2003 in Budapest, Hungary by the Open Society Justice Initiative. Coupled with the technical assistance provided by Open Society Justice Initiative, it offered a methodology developed in line with international standards and practices.

Project team had 50 members and consists of three task groups:

- 1 Media monitoring team,
- 2 Event monitoring team
- 3 Analysis team.

Within the scope of the project trainings were organized for members with the expert from Latvia, who carried out similar election campaign finance monitoring. Moreover, the monitoring manual with a detailed description of methodology has been prepared for team members. The members were drawn out from local activists and ordinary citizens, and the analysis team was composed of journalists and lawyers by profession.

TWO. MONITORING METHODOLOGY

2.1 Campaign events

Campaign events were monitored in order to document three types of misuse of state institutional resources:

1. **Misuse of state owned vehicles** (*cars, helicopters, buses*),

² Open Society Justice Initiative www.justiceinitiative.org

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This category consists of the use of state owned motor vehicles or other vehicles (for example helicopters) for the purpose of organizing or carrying out campaign events for a particular political party or its candidates.

2. The engagement of state employees

The engagement of state employees in the election campaign was defined as where such employees carried out one or more of the following activities.

- 1 Participating in campaign advertising events of parties and candidates during working hours,
- 2 Speaking in support of a candidate and the party,
- 3 Appealing voters to vote in favor or against certain candidates/parties,
- 4 Participating in candidate's meetings and events and speaking on their behalf,
- 5 Organizing meeting of a candidate and/or a party with voters by taking advantage of one's own position.

3. Misuse of state owned premises

The misuse of state-owned premises was monitored by documenting the use by political parties or their candidates for free of state-owned buildings such as schools, cultural centers, gyms and other public service facilities for campaign events.

Monitoring

The project monitored four types of campaign event: meetings/rallies, cultural performances or entertainment, distribution of advertising materials, and training or workshop events. A total of 556 campaign events were monitored.

Event monitoring covered a total of 63 days, or nine weeks, starting from April 26 to June 27, 2004. The choice of monitoring units extended over 13 administrative units (aimag and district) rather than targeting the particular electoral districts. Out of 13 administrative units observed the 10 were aimags (Khentii, Khovsgol, Omnogobi, Dundgobi, Ovorkhangai, Dornod, Arkhangai, Khovd, Gobi-Altai and Darkhan), 3 were metropolitan districts of Ulaanbaatar (Songinokhairhan, Bayangol and Sukhbaatar). The observation included all large-scale, mass events organized within the election campaign in all the selected administrative units.

For event monitoring at selected administrative units, specifically designed forms were filled out, and photos were taken, and furthermore, in case of greater necessity, events recorded on a videotape in order to document the misuse of state owned buildings, vehicles and engagement of state employees in campaign events. Certain specific cases of serious violation were documented by video recording. In order to ensure the authenticity of information, some of attendees signed on monitoring forms.

The monitoring form (see Appendix), which is the primary document for producing the monitoring result is comprised of 5 basic parts.

The first part is to give general information and describes the type, place, date, duration of event and of which party and candidate. The next part records whether state building was used, whether payments were made from state or private funds, amount of payment and duration of use such

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premises. Third part records whether government employees were involved. It has a table for entering names, titles of government employees and hours devoted for campaign activities. Fourth part is for recording the use state owned vehicles. The vehicles were recorded by their model and mileage run during campaign events. The fifth part is intended for collecting information necessary for making analysis and has section for “notes”. This section is to be used to record exclusive facts during event, for example distribution of all kinds of gifts, promise of budget money, foreign loans, or donations.

Prior the monitoring the team members had made lists vehicles (including the brand, the series, color, number etc.) with their ownership status likely to be used for election campaign. Likewise, the list of state premises potentially to be used for gathering of the multitude of voters for meetings with candidates, cultural performances etc., and stated their ownership status as well. The monitoring observers documented used state owned vehicles by brand, series and number, as well as by the mileage of each thereof.

In order to present monitoring findings regularly to public, event monitoring forms were submitted once in 3 days to the core team. In case of some remote aimags in order to save time most information was received by fax and in some instances used telephones. The monitoring forms were received mainly through local postal service and delivery. The project analysis team prepared reports once in a week and all monitoring form were gathered here.

2.2 The media: advertising and hidden advertising

In addition to campaign events, a wide range of media were monitored in order to document political advertising and hidden advertising in both state and non state media. The following definitions were adopted for these two types of campaigning activity

1. Political advertising

Political advertising is media material presented transparently as advertising on behalf of a political party or its candidate(s). It is clear to the audience as a political advertisement. This reflects Article 6.1 of the Mongolian Advertising Law, according to which advertising must be recognizable and distinguishable from editorial content ‘irrespective of its content, form and distribution methods’. Political advertising was monitored in both state and non-state media in order to yield a rough estimate of campaign spending on this segment of campaign activities.

2. Hidden advertising

Hidden advertising is media material that promotes a political party or its candidate(s), but is presented as everyday journalism and thereby misleads the audience. Specifically, hidden advertising for the purposes of monitoring was defined as election-related articles and programmes containing characteristics of advertisement (unbalanced or one-sided information on a political party or candidate attending the election, or the expression of comments or positions in favour of a certain party or its candidate(s), which however are not clearly recognizable as an advertisement. Hidden advertising was divided into two main types in the Mongolian context:

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- Biased media coverage of particular political parties and/or candidates running for election. This includes material directly praising the activities of a particular party of candidate or reporting their activities without corresponding coverage of the activities of other parties or candidates.
- Favorable media coverage of government institutions, public officials and their activities during the election period. In the Mongolian context such coverage was defined as hidden advertising due to the monopoly of power by one ruling party. Specifically, such coverage included
 - Promotion of the ruling party through extensive appraisal of the Government policy and achievements, without any reference to independent, neutral and non-biased analysis, or indirect appraisal of the party in power with no opportunity for other competing parties to present their position;
 - Promotion of public officials standing in the election through reporting of their official activities.

Hidden advertising was monitored in both state-owned media outlets and privately-owned media. In the case of state-owned media, hidden advertising was regarded as misuse of state-owned media resources.

Monitoring

The media monitoring covered the period starting from official campaign date or announcement of election campaign until the date for counting the voting result. The date for final voting result was prolonged, in some districts re-elections were held or disputes continued during which the advertising of political forces carried on uninterruptedly, and therefore monitoring was continued until such disputes were resolved. After the official announcement of expense reports of political parties that participated in 2004 Parliamentary election by the Election Committee in September 2004, it became possible to make final conclusion by comparing the data with monitoring figures.

The monitoring team members watched every programme broadcast during the established hours in selected TV and radio channels, and read all articles published in selected print media during the monitoring period. Of these, the team has observed the election-related programmes and articles, designated in accordance with set criteria described below section, recorded them accordingly. (See Appendix charts). All recordings and newspaper articles are archived.

While monitoring the media campaign, the team strictly observed the principle of impartiality and documented the programmes and articles solely by its content endorsing or criticizing particular candidates and/or parties and by methods utilized in doing so.

The following media were monitored:

TV channels

1. Mongolian National Television (state owned)
2. UBS television (UB city government owned)
3. Channel 25 (private)
4. TV5 (private)
5. TV9 (private)

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All television channels operate from the Ulaanbaatar, of which one broadcasts its programmes in the capital metropolitan area, one does it nationwide, and the others reproduce their programmes in some aimags and cities through tapes.

Radio stations

1. Mongolian National Radio (state owned)
2. "Ulaanbaatar" radio (UB city government owned)

One of the two broadcasts nationwide and the other – solely in the city.

Daily newspapers :

1. "Odriin sonin" (private owned)
2. "Zuuny medee" (private owned)
3. "Onoodor" (private owned)
4. "Unen" (MPRP party owned)
5. "Mongolyn medee" (private owned)
6. "Ulaanbaatar times" (UB city government owned)

All newspapers published on daily basis in Mongolia were subject to monitoring. Of these, “Ulaanbaatar times” is issued by the capital city administration. “Unen”, despite its formal affiliation to the MPRP, is included since it is essentially a self-funding enterprise, runs political advertisements, and thus, shares a certain place in the advertisement market.

In addition, privately owned tabloids with largest number readers issued once a week or ten days were also subject to monitoring, such as:

1. "Seruuleg"
2. "Khumuus"
3. "Zindaa"
4. "Mongolchuudyn amidral"

The members of monitoring team have watched and listened to the selected time programmes of selected television, radios and have read all editions of these newspapers published during selected period. Articles and programmes that were related to 2004 Parliamentary election were observed in accordance with prepared criteria and recorded. Recordings of these television programmes and newspaper publications were archived and stored.

Recording of programmes of MNTV, UBS, Channel 25, TV5 and TV9 included in the monitoring were made in a centralized location. For TV monitoring all programme between 18-24 p.m. on business days and 9-13 p.m. 18-24 p.m. on weekends were recorded, and in the final days of election the monitoring time had to be prolonged after 24 p.m. In addition, when some TV channels re-broadcast their evening new programmes with candidates’ interviews next morning, those were also subject to monitoring.

Each newspaper article was read and all election-related articles were filed. Not included, however, were some special editions of newspapers prepared by political parties and candidate, and distributed only in a particular electoral district.

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The measuring unit used in monitoring was duration or hour, minute, second for television and radio programme and section or square decimeter for press article.

A programme subject to monitoring means all image and sound (radio and television journalism, advertisement, video clips and etc.) broadcast by a particular television channel and/or and radio station. Likewise, an article subject to monitoring means all text and image (press journalism, advertisement, picture, drawing, caricature, photo image, pattern and etc.) published in a particular newspaper. However, additional attached and supplemented materials with the newspaper such as books, small souvenirs are not included in the monitoring.

2.3 Cost estimation

In addition to monitoring campaign activities, the project also estimated the cost of the activities monitored.

1. Cost estimation for events

i) Calculation of cost of individual instances of misuse of institutional resources

The cost of the misuse of state resources misused for campaign events was calculated for each instance of misuse observed.

Vehicle costs

For the estimated calculation of motor vehicle cost included were not only the amount of gasoline spent, but also other expenditures, such as vehicle damage and the fee for drivers. For that we surveyed several price offers by vehicle renting organizations, such as the Government and companies engaged in transportation services (primarily those of Juulchin Co. Ltd. and VG Trading, Ltd). In calculating the rent cost, an average of the highest, lowest and the medium rates provided by these organizations was chosen as the basis of estimation.

Minimum rent tariff (per km)	Middle rent tariff (per km)	Maximum rent tariff (per km)	Average (per km)
280 tugrugs	350 tugrugs	600 tugrugs	410 tugrugs

For each vehicle monitored at an event, it was assumed that the vehicle was driven from the place at which it was registered (according to the number plate) to the location of the event and back, and the cost of use of the vehicle was calculated by multiplying this number of kilometers by the above rental rate.

Cost of use of state premises

For the estimated calculation of usage of state premises cost, the only selected events were those not paid. The fee used to calculate the cost of misuse of state premises for organization of an electoral campaign event was determined by interviewing and getting information from candidates, electoral headquarters and people worked at such headquarters. The fee used to calculate estimated cost was the average of three rental fees - for usage of premises where electoral campaign events were held

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in soum, center of the aimag and the capital city. This fee was multiplied by the number of hours the event in question lasted to yield the cost figure.

Minimum rent price (per hour)	Middle rent price (per hour)	Maximum rent price (per hour)	Average (per hour)
5,000 tugrugs	15,000 tugrugs	150,000 tugrugs	56,660 tugrugs

Cost of engagement of state employees

The cost of engaging government employees for election campaign was estimated by the amount of salary for hours spent for election campaign. The cost per hour was assumed to be 1000 tugrugs (US\$ 0.8) per hour, which is equal to the average salary of a department chief. This was then multiplied by the number of hours the event lasted to yield an estimate of the cost of using the official concerned.

ii) Estimating the total cost of misuse of institutional resources

Estimates of the cost to the public purse inflicted by the misuse of the three types of resources were derived for each type of resource (vehicles, premises, employees) separately, and for each political party separately. Based on interviews with candidates and campaign supporters, it was determined that a candidate at one electoral district conducted an average of 80-90 events. Given that there are 76 election districts in Mongolia, the cost calculation was carried out by calculating the total cost of a given resource misused by one party, dividing this by the number of events for that party monitored to yield the estimated average cost per event, multiplying this figure by 80 to calculate the estimated cost per election district, and then multiplying by 76 to yield an estimate of the total cost nationally. The total estimated cost of misuse of institutional resources was reached by adding together the figures for both main parties and all three types of misuse. Details of these calculations are provided in Section 4.4.

2. Estimation of cost of political and hidden advertising

The estimated cost of both political and hidden advertising was reached by multiplying the number of minutes of political or hidden advertising monitored for each party by the estimated advertising rate. The estimated cost of advertising was derived by requesting all mass media for their official tariff of advertisement programmes and articles for the 2004 State Great Hural election period, and estimated the cost of advertising based on this. It was assumed that the cost of a one minute of political or hidden advertising was equal to the estimated advertising rate, whether a party or candidate in fact paid for the advertising itself; if it did not, the implicit cost of advertising was assumed by definition to have been paid by a third party (for example a hidden donor or the media outlet itself), in which case the cost (and amount of campaign spending) was not in principle affected. For the same reason, where an advertisement was repeated (for example where a sponsored evening TV or radio programme was repeated in the morning), the estimated advertising rate was applied to both programmes.

Tariff for estimating cost of media advertising (*tugrugs*)

Tariff for estimating cost of TV advertising

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TV	MUTV	UBS	TV5	TV25	TV9
Unit rate	174,000	110,000	95,000	60,000	131,000

Tariff for estimating cost of radio advertising

Radio	Mongolian National Radio	Ulaanbaatar radio
Unit rate	50,000	7,000

Tariff for estimating cost of newspaper advertising

Newspaper	Unen	Zuunii medee	Udriin sonin	Unuudur	Mongolian medee	Khumus	Mongolchuu diin amidral	Seruuleg	Zindaa
Unit rate	10,800	16,200	16,200	20,500	13,500	35,100	20,500	32,400	21,600

THREE. LEGAL AND REGULATORY FRAMEWORK

3.1. Legal provisions

The new Constitution of Mongolia adopted in 1992 provides that the fundamental principles of the activities of the state shall be democracy, justice, freedom, equality, national unity and the rule of law. These principles are being used for improvement, amendment, revision and adoption of Mongolian laws and regulations thereafter.

As parties involved in politics shall have equal rights and possibilities to participate in the election and any state-owned property shall be property of the public, all laws and regulations regulating these relations shall be considered and reviewed precisely.

Misuse of state resources for electoral purposes, in particular, use of government financial resources, engagement of public employees and use of state-owned property by political parties is strictly prohibited by the Anticorruption Law, Public Service Law, Parliament Election Law and Political Parties Law. In addition, the Constitution of Mongolia, international treaties ratified by Mongolia and some articles from the Media Freedom Law and Advertising Law will serve as legal ground for the monitoring. However, there is no specific regulation especially in the Election laws, therefore, there is no enforcement of the provision of prohibiting misuse of state resources.

1. Provisions on equal access to campaign space

Law on State Great Hural Election

Chapter V. Participation of parties in the election and election campaign

Article 21. Election campaign

1. Parties, coalitions and candidates, who have announced their participation in the election and been registered therefore, shall have the right to freely explain and acquaint public with their platform and views, arrange gatherings, conduct meetings and have election campaign offices for the purposes of promotion of their candidates. Parties and coalitions shall independently place slogans, promotional fliers and pictures and announcements in streets,

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squares and public places permitted by the county governors in provinces and district governors in the capital metropolitan area.

Article 30 Guarantees for the Activities of the Candidates

1. Candidates of the parties and coalitions and independent candidates shall have the right to explain their election programmes freely, express their viewpoints and publicize their policies through the press and information media. They also have the right to obtain necessary information and reference materials from the relevant organs of the election constituency, according to the appropriate order and procedure.

Article 31.

Meeting of Candidate

1. The governors of the respective administrative territorial units shall have the duty to render all possible assistance to the candidates in their meeting with the electors.

2. Misuse of state media (and similar provisions)

Law on State Great Hural Election

2. The Mongolian National Radio and Television shall equally treat each party, coalition and independent candidates contesting in the same constituency in terms of free service, duration and opportunities of conducting advertisement by parties, coalitions and independents.
3. If campaigning is broadcast through the National Radio and Television at hours other than established by the General Election Committee, concerned parties, coalitions and independent candidates shall pay for the service.
5. It is prohibited to broadcast one-sided, partisan advertisement of party, coalition or candidate through private TV, newspaper or magazines not affiliated with political parties, regardless of the form of property thereof.

3. Misuse of other state resources

Law on Public Service

Article 11.5

It is prohibited that public employees to participate in political, public and religious activities, which are not relevant to one's public service position.

Article 15.1.7

It is prohibited to use the properties, equipment, devices, financial sources, and media means and official information sources of any public institutions.

Article 40.2

It is prohibited to abuse of official positions of public employees.

If a public employee is an election candidate; the official position has to be withdrawn.

Anticorruption law

Article 7

To misappropriate and misuse for non-official purposes, the organisation's property, technical equipment series of income, data base and official information

4. Violation of campaign finance regulations

Law on State Great Hural Election

4. The election campaign shall be completed 24 hours before the polling day. It shall be prohibited from this time to the end of the election to urge voters in any form; public opinion polls in the course of 7 days before the election is prohibited.

The National Anticorruption Program

1/ In the direction of electoral system reform:

Prohibit nomination as a candidate in any election and appointment in management post of a person who committed a corruption offence;

- a) Establish a procedure for political parties participating in elections to report to the General Election Committee and inform the general public about their election expenditure and donations before that elections are held;
- b) Establish a limit on the amount of donations given by citizens and legal entities to the election campaign work;
- c) Establish a procedure for declaring to the general public a statement of assets and income annually by a person who has been elected as a member of the State Great Hural (Parliament) or appointed as a member of the Government Cabinet or to the other public high offices, before taking the oath of that office and during the term of office.

5. Regulation/management of broadcasting media

Advertisement Law

Article 6. General requirements for creation and distribution of advertisement

Article 6.1. Advertisement shall be true, sufficient for everyone and understandable to be advertisement irrespective of its content, form and distribution methods.

Article 7. Illegal Advertisement

Article 7.1. Advertisement, which is inappropriate, inconsistent with reality and morality shall be considered to be illegal advertisement.

Article 7.5. Advertisement, which has breached the provisions specified in Article 6.1 of this Law and indirectly influences people’s mind, shall be considered to be hidden advertisement.

Radio Frequency Law

Article 4. “Radio frequency is a State property and the right to use such shall be issued by the State”

Article 5.2 “Central governmental body in charge of telecommunication matters”.

The Telecommunication Law

Article 9.1.2 “the Regulatory Committee has the right to issue broadcasting license as well as suspend and invalidate the former.

3.2 Sanctions

The Law on State Great Hural Election established the following penalties for violations of the law relevant to the state resource abuse:

- An official failed to perform his/her duty cannot be charged with disciplinary penalty the court shall fine with up to 50000 tugrugs.
- For the violation of the procedures provided by Election Law by media, the court shall fine such media organization with up to 250000 tugrugs.

If violation of provisions of Public Service Law has a criminal nature it is charged with criminal liability. However, if a government employee has misused his/her position capacities, the court shall fine with up to 250000 tugrugs.

In case a civil employee has participated in political activities of a political, non-governmental and religious organization on matters not relevant to his/her professional duty, enjoyed illegal provision as monetary reward, loan, free of discount service from other organization, business entity and citizen for performing his/her position capacities, and misused and embezzled public property, facilities, financial and information source and official information for purposes other than those of the government interest in violation of Public Service Law, has not carried out his/her duty and overused position or status, a disciplinary penalty shall be imposed depending on nature of violation, first or repeated action. There is no specific regulation and sanction in the cases if civil employee is required to work on election campaign by his/her superior

There are following types of disciplinary penalties:

- Official reprimand,
- Reduction of position wage for up to 6 months by 20 percent,
- Dismissal with 1-year ban on public service.

A civil employee shall be imposed with disciplinary penalty by the decision of an authorized official of a government agency who has appointed him/her to the position.

If a violation of the Anticorruption Law has criminal nature it shall be charged under Criminal Code. According to the Anticorruption Law there will be more severe measures, such as dismissal and discharge in cases of a civil employee commits for the purpose of personal benefit:

- Misuse and embezzle government property, facilities, financial and information source and official information for purposes other than those of the government interest,
- Acquire securities and property by loan, enjoyed privilege, granted privilege to others, restricted rights of others, spent budget and donation funds for other purposes under advantage of official position,
- Coerce activities of other organization on matters not concerning to the duties of the government by using position and status, connection and relationship established with others based on such position,
- Take other actions for the purpose of acquiring illegal profit, benefit and privilege by using official position.

3.3 Enforcement

Pursuant to electoral legislation the General Election Committee, electoral district, division committee and territorial committee organize the election at each level. According to election law

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any disputes related to election is resolved by Constitutional Court, General Election Committee and sub-committees pursuant to their jurisdiction and procedure provided by the legislation. However, GEC appoints its composition in consideration of position titles, therefore representation of the ruling party is exceedingly dominant and makes it impossible to be factually aware of the misuse of public resource.

There are 11 GEC members and appointed by the State Great Hural for a term of 5 years. 9 members are affiliated with MPRP, one with Democracy coalition and one is non-partisan. According the Election law, members shall give up party membership upon their appointment. Members of GEC are appointed on ex officio basis. Current are members following:

- Chief of General Police Department
- Chief of Secretariat Office, Supreme Court
- Head of National Statistics Office
- State Secretary of the Ministry of Finance
- Deputy chief of President’s Office
- Deputy chief, Parliament secretariat office
- Deputy chief of the Government Cabinet
- Secretary of Capital Citizen’s Presidium

In case other than provided by law, complaints will made to the constituency committee on decisions of the electoral division committee and constituency sub-committee, and to the General Election Committee on the decisions of the electoral constituency committee. Complaints shall be considered and replied within 10 days from the date of their receipt.

The right to elect and to be elected is the constitutional right. Therefore, any dispute related to such right should be handled by the Constitutional Court. To this date, there has been no incident when election related disputes were resolved by the Constitutional Court.

In 2003 the Administrative Procedure Law was adopted and came into effect on 1 June 2004. Complaints and claims relating to decisions and activities of GEC are subject to the Administrative Courts and, for instance, hearings of the election-related disputes of districts 24 and 59 are currently being held at the Administrative Court.

In case of election sub-committees, there is a procedure that a decision of lower committee is filed to the higher electoral committee. An electoral committee resolves any dispute with the composition indicated in the law and by the normal procedure. The key authority to nominate the district election committee is the relevant administrative unit’s Citizens’ Representative Assembly (CRA). The CRAs were the time of 2004 general election composed overwhelmingly of MPRP representatives, and all 22 (100 %) aimag and city governors are MPRP members.

91.3 % of all soum and district governors are MPRP members, and all 22 (100 %) aimag and city governors are MPRP members. Governors are required to provide general support for implementation of the elections and provide parties and candidates with opportunities to campaign, for example issuing permissions to locate posterboards and leaflets and providing assistance to the candidates in facilitating their campaign meetings with the voters.

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In 2003 the Administrative Procedure Law was adopted and came into effect on 1 June 2004. Complaints and claims relating to decisions and activities of GEC are subject to the Administrative Courts and, for instance, hearings of the election-related disputes of districts 24 and 59 are currently being held at the Administrative Court.

With respect to issues on election campaign finance the GEC shall establish a provisional office for election finance audit led by any one of its members. The office shall exercise the powers of state financial inspection office, audit the financial movements of election expenditure and if necessary carry out document inspection. If a violation of electoral legislation has criminal nature it is considered a criminal offense.

There is no specific legislation regulating the operation of state-owned radio and television in Mongolia and political activities of the state-owned media during the election campaign is addressed solely in the State Great Hural Election Law.

Mongolian National Radio and Television are subordinate bodies to the Radio and Television Authority, an implementing agency of the executive Cabinet – i.e. the Government. Appointment of governing persons of the Mongolian National Radio and Television are regulated by the Law on the Government (Cabinet). Prime Minister of Mongolia appoints the Director of the Radio and Television Authority, who, in turn, appoints the directors of Mongolian National Television, Mongolian National Radio and Mongolian News Agency. There is no selection process for appointment of these positions. During the 2004 State Great Hural Election campaigning, the director of Mongolian News Agency was dismissed from his work and the position was conferred ex officio to the director of Mongolian National Television.

UBS Television, Ulaanbaatar Radio and newspaper “Ulaanbaatar Times” were established pursuant to the Law on Legal Status of the Capital Metropolitan and run their activities under the auspices of the Citizens’ Representatives Assembly of the Capital Metropolitan Area. The current directors were appointed by the Board of City Media Organizations comprised of the members of the Citizens’ Representatives Assembly. In 2004, management privatization was held and teams headed by the directors of the above three media establishments won the privatization bid and are likely to run the respective institutions by entering into an agreement for the period of 3 years. Following are related provisions of some media laws.

Radio frequency is state property, which means public property. Similarly, a private television also uses the nation’s restricted resources of the so-called radio frequency, yet on the other hand, as an instrument of strong influence it is obliged to work during election without bias. Unfortunately, there are no requirements demanding such from parties applying for radio frequency license and the mechanism for seizing license and suspension is missing.

There are only few requirements for issuing license to broadcasting. However, there are no requirements for ensuring equality, priority of public interest during selection of applications for license. The issuance of license is decided not openly, does not ensure discussion of public opinion and in concealed condition. Considering only technical and financial capability is not enough for issuing license.

FOUR. POLITICAL ENVIRONMENT AND BACKGROUND TO THE ELECTIONS

4.1 Political environment

Mongolia has a relatively small population of 2.4 million people, yet occupies a vast territory covering 1,565,000 square kilometers. Administratively, Mongolia is divided into 21 aimags (provinces), 342 soums (counties), capital metropolitan area and its constituent districts, as well as 1681 baghs (lowest-level rural district). Approximately one third of population resides in Ulaanbaatar, the national capital and the remaining majority of population resides in rural areas leading pastoralist way of life. Mongolia is a low-income country with annual per capita income of 390 US Dollars, with relatively low economic development and high unemployment rate. According to National Statistical Office 2004 census, 36.1 % of the population lives in poverty.

Since 1992 Mongolia has held 4 Parliamentary, 3 Presidential and the same number of municipal (local) elections. The Parliamentary elections were held in 1992, 1996, 2000 and 2004. In the 1992 election the MPRP took 71 of 76 seats, in 1996 the Democratic Union Coalition took 50 seats, while 25 seats were taken by the MPRP. In 2000, the MPRP took 72 of 76 seats. In 1992 the Parliamentary election was held by multi-mandate plurality system, whereas in 1996, 2000 and 2004 - by single-mandate plurality system. In 1992, 76 elected Parliament members received 57.8 percent of total votes of the electorate, in 1996 that number shrank to 53.7 percent of total votes, and in 2000 the Parliament represented yet only 52.2 percent of total votes.

The first local election was held in 1992, later in 1996 and in 2000. The parliament has passed the Municipal Election Law in 1992, amended twice in 1996 and 2000; therefore, each three municipal elections were held in accordance with different election systems. For instance, in 1992, baghs elected members of Civil Representative Meeting of a soum. That was changed, however, in 1996, when local election combined both majority and proportional systems. The 2000 election was held by pure plurality system.

4.2 Overview of 2004 Parliamentary election campaign

The 2004 Parliamentary election was contested among 7 parties, one coalition uniting three parties, and independent candidates. 76 electoral district committees, their 339 branch committees and 1645 polling station sub-committees in charge of organizing this election operated with 16500 employees, and votes were taken in 1650 polling stations.

1,331,721 people were registered in voter list, of which 1,091,203 or 81.94 % did actually cast their vote. Of 244 candidates registered for contesting Parliamentary seats 229 represented political parties and coalition, while the remaining 15 were independents.

36 from the MPRP, 34 from the “Motherland-Democracy” Coalition, 1 from the Republican Party and 3 independent candidates were elected as Members of Parliament respectively (electoral districts 24 and 59 of Parliamentary election are still disputed³ and therefore results of 74 districts are included).

³ In December, 2004 these disputes still were pending at the newly established Administrative Court.

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36 of elected MPs were previously employed in public service, 19 - in political or non-governmental organization and universities, and 19 came from the private sector. 73 of the current 74 MPs hold college degree, with one vocational graduate. Five MPs, or 6.7 % are women. Incumbent local governors were running in the election as MPRP candidates in five of the ten monitoring aimags, and in one of the three Ulaanbaatar districts.

The primary difference of this election campaign from 2000 Parliamentary election held at national level was the shift from “mass rally” into “individual voter meeting” strategy and from public “entertainment” to “door-to-door” tactics. The 2000 election campaign on national level was characterized by mass rally with certain entertainment interlude, accompanied by distribution of the candidates’ agenda newsletters, whereas the 2004 campaign reached every household, provided meetings with each voter and every parties involved in the campaign used modern advertising methods of displaying large scale billboards and leaflets. For example, this election used even mobile telephone messaging system.

Monitoring by other organizations

Except for this project no other comprehensive monitoring activities were held on the election campaigns of 2004 State Great Hural election, but there were 117 observers from countries like Russian Federation, Japan, China, Federal Republic of Germany and the United States.

Members of the Conservative Party of Great Britain came to observe the election processes on support of the Westminster Foundation for Democracy and they concluded in general that “the ruling party, MPRP, shamelessly abused its power and used in illegal ways the state mechanism for election purposes”.

Renate Bormann, observer from the Hans-Zeidel Foundation of the Federal Republic of Germany, noted that “from the election promotion in Ulaanbaatar and other places it could be judged that only one political party, MPRP, exists in the country. MPRP not only put its promotion posters and banners in all streets and along all roads but the party election agents were distributing constantly the promotion materials and newspapers to all people residing in the election districts. The same picture was seen on the state-owned TV and radio”.

FIVE. MONITORING FINDINGS AND RESULTS

5.1 Event monitoring

During the monitoring period 556 events were observed. The 556 events are classified into (the numbers may overlap, since a registry file for a single event includes different components of that events, such as the meeting, the performance, distribution of leaflets – i.e. a candidate may organize several events within the framework of one larger event) the following:

- 466 meetings,
- 169 cultural performances,
- 20 seminars,
- 89 advertisement distribution events.

Monitored events by parties include:

- 295 by MPRP

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- 243 by the Motherland-Democracy Coalition (Democratic Party, Mongolian Democratic New Socialist Party, Civic Will-Republican Party),
- 11 by the Republican Party,
- 7 by independent candidates.

A total of 556 events were monitored in the selected 10 aimags and 3 districts, of which 53 % organized by the MPRP, 44 % by the Motherland-Democracy Coalition, 2 % by the Republican Party and 1 % by the independent candidates. 80 % by MPRP and 20 % by the Motherland-Democracy Coalition events were used public premises free of charge.

98 % of the government-owned motor vehicles utilized during these events were used by the MPRP and 1 % was used during the events organized by the Motherland-Democracy Coalition.

With relevant tariff rate for 556 events, a national average of misused funds is estimated as 1,393,034,400 tugrugs (USD 1,180,537). Divided among parties, this number subtracts into:

- 1,239,958,240 tugrugs (USD 1,050,812) by the MPRP
- 153,076,160 tugrugs (USD 129,725) by the Motherland-Democracy Coalition.

1 Use of state owned premises

195 events of the total of 556 were held in government-owned building and 146 of which were MPRP campaign events, 49 were of Motherland-Democratic Coalition. Events held in State building at free of charge totaled 606 hours of which 507 MPRP and 99 Motherland-Democratic Coalition.

The state buildings were used in election campaign mostly for organizing events, campaign offices and headquarter. In the 2 monitored soums, the Governor's offices were deployed as party campaign site, and instead of the national flag, the party flag was placed on the top of the building.

The buildings of bagh and khoroo governor's offices were used for the campaign headquarter office. For example, 10 offices of the Moron soum bagh governors were used for election campaign headquarter for the period of 18 months. Some governors deserting their duties as government employee, were promoting the party platform to the local residents, placing election advertising posters, billboards, and explaining to residents. The offices of bagh and khoroo governors were turned into town and country election advertising office and campaign headquarter.

The use of kindergarten building as election advertising office was observed in number of monitoring venues. In kindergarten 98 during the end of school year, a flag of the ruling party was hoisted on top of the building and party logo was posted at the entrance and all windows covered by candidate posters. In Darkhan-Uul aimag, the candidate used kindergarten building for campaign headquarters.

Observation of the misuse of state property by candidates from the “Motherland-Democracy” Coalition indicates that in majority of such cases, the executive officer of the relevant publicly-owned institution was a Democratic Party member. Hence, the monitoring results make it clear that in the absence of a strong opposition, control by civil society and without elimination of all forms of misuse of state resources in political campaign with competent legislation, such a situation can be repeated under any party/coalition in power. Therefore, before judging a certain individual and/or

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party as being guilty for such a misconduct, we must see the problem as caused by flaws in our political and electoral system.

In rural areas the publicly-owned premises, such as local theaters, gyms and clubs operated under the local governments’ jurisdiction, are the most suitable venues for conducting mass events during the election campaign. However, the monitoring revealed certain unequal conditions that the parties and candidates had to face there, mostly due to availability and differentiated rental fee. For example, in one provincial capital where monitoring was observed, one of the parties organized its event for free in the musical theater hall, and thereafter another party had to pay 150000 tugrugs for the rental of the same facility immediately following the former.

2 Engagement of public employees

During 556 events observed a total of 1788 civil employees were engaged in election campaign event and devoted 7798 hours. Out of 1788 personnel, 1766 have participated in MPRP campaign event and 22 in Motherland-Democracy Coalition campaign in their official capacity. (This does not include participation of public officers in campaign events in the capacity of individual voters). Engagement of public employees in election campaign is not only the human resources abuse, but also is a misuse of organizational resources, such as office, phone, fax, internet, other facilities, in addition to salaries of these government employees.

Among the engaged public officers were 210 governors and governors, 103 chairmen of Citizens’ Representative Assembly Presidiums, 131 department and/or division chiefs of various executive bodies, 85 heads of local administration Secretariats, 74 doctors/medical personnel. Around 60 were the Prime Minister, cabinet members, their deputies and state secretaries of ministries, and 1125 were other civil servants.

Public employees were engaged in election campaign predominantly for soliciting the votes by accompanying the candidates in meetings with the voters, working as election campaign managers or as staffers in the headquarters of candidates, and assisting in drafting and distributing advertising materials and billboards. For example, in the electoral district 54 for one event the MPRP candidate engaged 7 administrative officers, 3 finance division officers, 3 legal division officers and 15 logistics officers for distribution of advertising materials during their office hours. The project team members met some of these employees; officer M. said he was “tired of this restless service”.

In a number of instances, the provincial secretariat officers were sent to counties on government mission to engage in campaign efforts. For example, officers of the secretariat and of the executive agencies of Khentii Aimag were sent to all counties ostensibly on government mission to carry out campaigning tasks. Moreover, the Omnogobi Aimag MPRP Provincial Committee has organized its election headquarters with the following four task forces:

- Task force on security and judiciary affairs, headed by the Chairperson of the Provincial Governor’s Secretariat and Division Chief of the Secretariat in Charge of Judicial and Administrative Affairs
- Task force on campaign financing and donations, headed by Division Chief of the Secretariat in charge of Finance, Economy and Government Fund
- Public Relations task force, headed by the governor (mayor) of the town of Dalanzadgad
- Supporters’ team of 110, including 37 civil employees, such as high-school teachers, nurses, accountants etc.

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In another monitored aimag an arbitrary instruction was given to public employees to be present in every meeting of the candidates with voters, and to supply the candidates with necessary data during the discussion or even take some of the questions on the candidates’ behalf and be prepared to answer them. It was informed to the monitoring team member. Moreover, a question related to the districts communal the district’s governor answered service addressed to an incumbent MP on his behalf.

The National Human Rights Commission report on “Observance of Rights to elect and Be Elected” monitoring mentions that “... Engagement of public employees to political campaign takes various forms. Some public officeholders try to portray the mandatory actions taken within one’s sphere of competence, such as paving roads with taxpayers’ money, paying wages and pensions, distributing the goods donated by international charity organizations etc., as actions taken by a candidate that he/she endorses... Others commit the fraud of having all civil employees employed under him/her to register vote in his/her district under the pretext of engaging them for a campaign”.

3 Use of government vehicles

In 241 of 556-election campaign events 1,033 government vehicles were used. 214 of the vehicles were with government plates (UBZ) and the rest belonged to local governments. Used vehicles in the campaign events by political parties are: 1,017 by the Mongolian People’s Revolutionary Party (MPRP) and 16 by the Motherland-Democracy Coalition. The vehicles used by the Motherland-Democracy Coalition were vehicles allocated by Parliament to incumbent MP’s from the Coalition who were running in the respective election district.

1,033 government-owned cars with state plates-UBZ, utilized during the election campaign, drove in total 51,366 kilometers, of which 98% comes to the MPRP. Regarding the types of the vehicles: 84 were 4 wheel drive cars, 201 UAZ-469 Russian jeeps, 63 Sonata and Elantra sedans, 44 UAZ 31514 truck, 31 minibuses, 24 buses and a MI-8 helicopter. Most of the vehicles were used for the entire period of election campaigns and utilized for calling and transporting voters to the events, distribution of election materials and for promotion activities held in rural areas.

EXAMPLE: Government vehicles used in one soum monitored in Khuvsgul aimag.

¹	Position of government officials	State plate	Type	Mileage (in kilometers)
	Aimag Governor	00-01	Land Cruiser	3500
	Chairman of the Aimag Citizens’ Representative Assembly Presidium	00-02	Prado	300
	Deputy Aimag Governor	00-03	UAZ-469	2000
	Head of the Aimag Governor’s Secretariat	00-04	UAZ-469	200
	Ambulance	36-43		200
	Head of the Energy Authority	55-55	Land Cruiser	60
	Financial Supervision Unit	54-54	Land Cruiser	160
	Chief of Police	00-99	Land Cruiser	130
	Police Department	08-99	UAZ-469	160
	Central hospital	30-81	UAZ-469	170

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Director of the Central Hospital	54-72	UAZ-469	280
Rural Poverty Reduction Program	99-99	Land Cruiser	100
Police Department	26-28	UAZ-469	80
Police Department	43-96	UAZ-469	40
Police Department	22-32	UAZ-469	40
Fire Management Authority	22-63	UAZ-469	30
Fire Management Authority	22-65	UAZ-469	80
Specialized Inspection Agency	31-15	UAZ-469	120
Children Center	44-70	UAZ-469	90
Specialized Inspection Agency	45-76	UAZ-469	60
Social Insurance Department	51-16	UAZ-469	60
Governor of Murun soum	28-93	UAZ-469	60
Taxation Office	45-61	UAZ-469	130
U.Enkhtuvshin /Member of Parliament/	05-81 UBZ	Land Cruiser	5100
B. Erdenebat /Member of Parliament/	04-75 UBZ	Hammer jeep	1800
Total			14950 km

EXAMPLE: Use of state vehicles, medical facilities and medical staff.

- Medical treatment center manager of the Gobi-Ugtaal soum, Dundgobi aimag, has allowed the medical facilities to be used by the MPRP, by hoisting the party flag over the hospital roof, hosting the party’s campaign headquarters in the hospital building while sending the patients for home treatment. In addition, he has allowed the ambulance car DUA 20-26 for the party campaign, and himself served as the party’s campaign manager during the entirety of the campaign.
- When an ambulance call on pre-birth labor came from the Ku-Uy village 210 km away from the Bayan-Ulgii provincial capital, the lead physician and deputy director of the provincial hospital were absent on the MPRP campaign tour riding a car belonging to the provincial clinical hospital. The ambulance team, without a reliable transportation and in the absence of authorities managed to reach the village 7 hours after the call, but were unable to save the woman, as she died of bleeding. (Odriin Sonin, June 16, 2004)
- In Khuvsgul aimag, ambulance number 36-43 served as campaign transportation, carrying a shift of voters every half an hour for two days to the meeting with a candidate, and over 20 doctors of the provincial clinical hospital organized such an event.

EXAMPLE : Campaign event

An election campaigning event of J. Badamjunai, an MPRP candidate in Songinokhairkhan district of Ulaanbaatar, was taken as a case. J. Badamjunai servers as the General Manager of Ulaanbaatar city. A project member working in the election district learned about the activities to provide identification cards to citizens of the election district # 67 with improper documentation or without identification cards. It took 5 days effective May 24, 2004 during the election campaigning period at the secondary school # 42.

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The fact was confirmed on the same day by the evening news on UBS television: “The opening of the campaigning for candidate Badamjunai of 67th election district was attended by authorities of the capital city state units. Problems around the population, pressing social issues, unemployment, movement and migration and land disputes are relatively high in the election district # 67. Therefore, the candidate has planned specific actions through the MPRP and his own agendas. At the opening of the election campaigning, he announced to eliminate the identification violates for district citizens who have moved to the capital city from rural areas. As a result, today nearly 3,000 individuals have received the identification cards free of charge”.

The State Center for Civil Registration and Information (SCCRI) launched providing IDs effective May 1, 2004 as a government initiative for those who had not yet received IDs (even though the nationwide replacement of passports with identification cards was over) or who could not pay the penalties for the lost IDs and have new ones issued. It could enable thousands of individuals to have new IDs at discounted rate or free of charge with relevant government agencies working for extended hours on workdays and even over weekends. The General Election Committee recommended the SCCRI to solve the documentation issues prior to the election and the Ministry of Finance and Economics provided the relevant funding for the activity. However, it was misinformed in the campaigning as if the candidate was providing the IDs at his own costs. Moreover, when abusing the government work in the election campaigning, resources of organizations, which were selected by the project for monitoring, were widely used.

The candidate used the state-owned facilities when providing IDs for individuals without proper documentations. For such a purpose, several primary class rooms of the secondary school # 42 had been used for the election campaigning for 5 days at free of charge. Also a number of public employees (inspectors) of the district in charge of issuance of identification cards were involved by appointing them in groups to work outside their work places for several days. It means that the public employees worked in the election districts for campaign purposes during working hours meant to serve citizens. It is reasonable to conclude that there was involvement from the district governor and there was much support from his side, since the governor was participating in most of the campaigning events.

5.2. Media Monitoring

Majority of the media advertisement released during the 2004 campaign was hidden. 96 % of all monitored newspaper articles, 66 % of all monitored television programmes and 34,6 % of all monitored radio programmes relevant to candidates and elections, while political advertisement occupied only a very small portion.

A total of 4,440,200,000 tugrugs worth of advertisement (political plus hidden) was broadcast through 5 selected TV channels, 2 selected radio stations and 10 newspapers subject to monitoring, of which the state-owned media transmitted the 2,2561,000,000 tugrug-worth advertisement. The ruling MPRP and its candidates get the lion share of this figure with 83.2 % of the total, followed by the Motherland-Democracy Coalition with 12.7%.

74.4 of the entire amount of advertisement was hidden, with MPRP sharing 88.4 %, the Motherland-Democracy Coalition – 7.8. % and other parties – 3.0 %, while the independents are responsible for 0.7 % thereof.

1. Political Advertisement

As of TV and radio, the main form of political advertising was promotional clip footages of political parties and candidates participating in the election. One of the features of the 2004 SGH election campaign was the use of many clips made at very high artistic level. Such clips aimed at ‘planting’ into the heads of electors such things as party names, slogans, promises included in platforms, names of candidates, their images and personal pledges were played during commercial slots, special election advertisement sessions and in-between different programmes. These clips were understandable or noticeable to audience that it is paid political advertisement. For monitoring paid political advertisements were registered number of appearance, duration, and which party, coalition, or candidates. Majority of paid political advertisements were from MPRP and ‘Motherland-Democracy’ Coalition.

TV channels: Political advertisement (in minutes)

	MPRP	Motherland-Democracy Coalition	Other parties	Independents	Total	Percentage
State-owned TV channels	1879.5	828	674.8	45	3427.3	46.4 %
Private and corporate TV channels	2283.2	1467.7	172.2	34.7	3957.8	53.6 %
Total	4162.7	2295.7	847	79.7	7385.1	100 %
Percentage	56.3 %	31.1 %	11.5 %	1.1 %	100 %	

State TV channels: Political advertisement (in minutes)

State TV	MPRP	Motherland-Democracy Coalition	Other parties	Independents	Total	Percentage
MUTV	1397,5	595,5	674,5	45	2712,5	79,1
UBS	482	232,5	0,3	0	714,8	20,9
Total	1879,5	828	674,8	45	3427,3	100,0
Percentage	54,8	24,2	19,7	1,3	100,0	

Private TV channels: Political advertisement (in minutes)

TV	MPRP	Motherland-Democracy Coalition	Other parties	Independents	Total	Percentage
TV5	2117,7	317,7	120	30	2585,4	65,3
TV25	164,5	1135,5	51,2	3,5	1354,7	34,2
TV9	1	14,5	1	1,2	17,7	0,4
Total	2283,2	1467,7	172,2	34,7	3957,8	100,0
Percentage	57,7	37,1	4,4	0,9	100,0	

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State radio channels: Political advertisement (in minutes)

Radio	MPRP	Motherland-Democracy Coalition	Other parties	Independents	Total	Percentage
Mongolian National Radio	2764	1417	670	30	4881	90,8
Ulaanbaatar	368	126	0	0	494	9,2
Total	3132	1543	670	30	5375	100,0
Percentage	58,3	28,7	12,5	0,6	100,0	

Private newspapers: Political advertisement (in square decimeters)

Newspapers	MPRP	Motherland-Democracy Coalition	Other parties	Independents	Total	Percentage
Unen	622,2	0	0	0	622,2	64,1
Zuunii medee	32,5	62	21,7	0	116,2	12,0
Udriin sonin	25,8	36,7	9,7	0	72,2	7,4
Unuudur	20,7	9,3	0	0	30	3,1
Mongoliin medee	8,8	71,7	0	2,7	83,2	8,6
Khumuus	0	19,5	9,1	0	28,6	2,9
Mongolchuudiin amidral	0	18,5	0	0	18,5	1,9
Seruuleg	0	0	0	0	0	0,0
Zindaa	0	0	0	0	0	0,0
Total	710	217,7	40,5	2,7	970,9	100,0
Percentage	73,1	22,4	4,2	0,3	100,0	

2. Hidden advertisement in the state media: misuse of state media resources

The monitoring revealed clearly that hidden campaign advertising in state media – that is, misuse of the state media resources for campaign purposes – was conducted overwhelmingly on behalf of the MPRP.

State TV channels: Hidden advertisement (in minutes)

State TV	MPRP	Motherland-Democracy Coalition	Other parties	Independents	Total	Percentage
MUTV	5686,5	102	100	0	5888,5	58,2
UBS	3996	194	17	26	4233	41,8
Total	9682,5	296	117	26	10121,5	100,0

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Percentage	95,7	2,9	1,2	0,3	100,0	
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State radio channels: Hidden advertisement (in minutes)

Radio	MPRP	Motherland-Democracy Coalition	Other parties	Independents	Total	Percentage
Mongolian National Radio	4871	60,5	100	0	5031,5	64,7
Ulaanbaatar	2742	0	0	0	2742	35,3
Total	7613	60,5	100	0	7773,5	100,0
Percentage	97,9	0,8	1,3	0,0	100,0	

State newspaper: Hidden advertisement (in square decimeters)

Advertisement	MPRP	Motherland-Democracy Coalition	Other parties	Independents	Total
UB Times	412,1	6	0	0	418,1
Percentage	98,6	1,4	0,0	0,0	100,0

3. Hidden advertising in private media

Hidden advertising was also prevalent in private media outlets. On private TV channels the MPRP benefited from 72,7% of hidden advertising monitored; however, in private newspapers hidden advertising benefited the MPRP and Motherland-Democracy Coalition roughly on an equal basis. The following is the list of private media outlets and political parties whose media coverage prevailed for a given outlet:

TV5 - MPRP

TV9 - MPRP

Channel 25 - ‘Motherland-Democracy’ Coalition

‘Udriin Sonin’ - ‘Motherland-Democracy’ Coalition

‘Unuudur’ - MPRP

‘Mongolyn Medee’ - ‘Motherland-Democracy’ Coalition

‘Seruuleg’ - MPRP

‘Humuus’ - MPRP

‘Zindaa’ - MPRP

‘Mongolchuudyn Amidral’ - MPRP

Newspapers, especially daily newspapers performed better in expressing positions of various sides and analyzing election-related issues. It is worth to note that election related articles by ‘Unuudur’ newspaper were relatively balanced in general, and the newspaper regularly published articles that tried to explain the election process from an independent point of view (mostly opinions of

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journalists). Also, interviews, discussions and other programmes of ‘Channel-25’ TV channel presented information much closer to balanced than any other TV channel.

Private TV channels: Hidden advertisement (in minutes)

TV	MPRP	Motherland-Democracy Coalition	Other parties	Independents	Total	Percentage
TV5	6975,6	139,1	412	1,5	7528,2	55,9
TV25	1961	75	3	0	2039	15,1
TV9	865	2394	330	323	3912	29,0
Total	9801,6	2608,1	745	324,5	13479,2	100,0
Percentage	72,7	19,3	5,5	2,4	100,0	

Private newspapers: Hidden advertisement (in square decimeters)

Newspapers	MPRP	Motherland-Democracy Coalition	Other parties	Independents	Total	Percentage
Zuunii medee	1436,5	44,8	25,5	1,5	1508,3	23,6
Udriin sonin	380,1	56,8	0,7	7,1	444,7	7,0
Unuudur	285,5	64,1	27,7	9,7	387	6,1
Mongoliin medee	390	226,6	29,3	27,7	673,6	10,5
Khumuus	264,2	50,9	0	6,2	321,3	5,0
Mongolchuudiin amidral	236,5	50,1	1,1	6,5	294,2	4,6
Seruuleg	159,9	1345,4	53,8	40,9	1600	25,0
Zindaa	2,4	1157,5	0	0	1159,9	18,2
Total	3155,1	2996,2	138,1	99,6	6389	100,0
Percentage	49,4	46,9	2,2	1,6	100,0	

EXAMPLE : The opening ceremony of the election campaigning of the MPRP

The MPRP launched its election campaign on the evening of May 17, 2004. The opening event started with introduction of MPRP platform and candidates, and continued with performance by pop culture icons. Though extensive coverage of such an event related to the ruling party is justifiable, certain media used it as a pretext to explicit and imbalanced advertisement of the MPRP.

TV 9 Television channel

The opening was broadcast on TV9’s news channel, followed by the repeated broadcasting of music performance for the next 2 days. Between the performances, there were speeches and talks of the MPRP candidates, which were prepared beforehand, which turned the music performance as a promotion means. It included the following cases:

- A numbers of talks with the candidates were inserted in the music performance, which lasted from 1 am through 2.25, am (1 hour 25 minutes) on May 17-18. Also there were short clips on the MPRP election promotion, including the number of the candidates, their photos and others).

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- The programme was repeated in the morning of May 18.
- The opening was broadcast on the evening of May 18, for 3 hours 35 minutes (8.35 pm-12.05 am). Between the performance of singers and groups, the MPRP promotion clips (like “We are one family”) were inserted along with interviews supporting the MPRP candidates. When introducing singers and groups, the show host used messages intended to promote the MPRP’s achievements. For example, “since the MPRP has resolved the debt owed by Mongolia to Russia..., here is a rock group “Kharanga” to sing “Moscow Rain” and similar others. Rock singer, D. Jargalsaikhan, was calling for voting for the MPRP. At the end, the Prime Minister, N. Enkhbayar, gave a closing speech, again, by calling to vote for the MPRP.

Mongolian National TV

- The Mongolian National TV broadcast the event from 11.30 pm to 1.50 am on May 17-18, for 2 hours 20 minutes, with no commentary and explanations. The first part of the opening event, with introduction of candidates was transmitted entirely, with cuts for the music performance, during which the red lotus sign of the MPRP was frequently appeared on the screen, with several interviews packaged by a number of candidates, appeared between the performances. Mongolian TV host Tsoodol, Chimgee and Gantigmaa, Mongolian National TV, hosted the event.
- In 2 days, on May 20, “Hit” music programme of the Mongolian National TV repeated the event for 50 minutes, from 10.15 pm to 11.20 pm. The MPRP lotus was permanently attached to the lower left part of the screen. When answering questions, the pop singers and groups expressed to support the MPRP in most cases through a divided screen with the MPRP candidates’ photos, names and biography on the other part.

If estimate cost of this programme on the basis of their commercial’s tariff. TV9 would charge normally 50,000 per minute, which for 6 hours 25 minute or 385 minutes would be total be 19,250,000 tugrugs. On Mongolian National TV it was broadcasted for 20 minutes, based on their tariff 100.000 tugrugs per minute, the coverage would worth 2 million.

5.3. Law enforcement

Several legal provisions and regulations exist in effect on prohibiting use of state resources, in particular civil employees, property and equipment of state entities and their financial sources for the election campaign. However, enforcement of these provisions and regulations are not efficient. Accountability mechanism is unclear in case there is violation of these legislations. The accountability imposed for violation cases is too general and amount of the fine is low. Especially, there is no regulation except that outstanding amount in the election account of parties, coalition and candidates that received donations and spent resources for different purpose other than election costs, and that did not submit report within the specified deadline will be considered as state revenue.

Provision 21 of the Parliamentary Election Law stipulates that election advertisements and boards must be placed in the street and public places permitted by the aimag, soum and capital city Governors/governors. However, governors gave such permissions to the candidates from the party they belonged to and to other parties were permitted places in outskirts of the city.

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Although the issues related to numbers and placement of advertisement billboards and license of their issuance were not direct subject of monitoring, nevertheless, as of June 1, 2004 billboards licensed by the governors in three selected district of Ulaanbaatar were counted:

- Of 114 advertisement billboards in one electoral district in Bayangol, Ulaanbaatar, 70 belonged to the MPRP candidates and 40 to the Motherland-Democracy Coalition, other parties and independents.
- Of 60 advertisement billboards in one electoral district in Sukhbaatar, Ulaanbaatar, 54 belonged to the MPRP candidates and 6 to the Motherland-Democracy Coalition, other parties and independents.
- Of 106 advertisement billboards in one electoral district in Songinokhairkhan, Ulaanbaatar, 104 belonged to the MPRP candidates and 2 to the Motherland-Democracy Coalition, other parties and independents respectively.

The monitoring revealed widespread and systematic misuse of state resources, namely government vehicles, state premises and engagement of public employees, and released this information to the public as well authorities with due responsibility to uphold and enforce laws. By far, no case has yet been taken to the courts on charges of the misuse of state resources, and accordingly, no charges are filed against any individual/organization responsible. As the project team approached some government bodies authorized to oversee the implementation of laws and enforce them accordingly, the following were their responses.

- Public Service Council, as the government body authorized to hear, monitor and solve complaints regarding the public service, claims that it had not received any complaint related to use of institutional resources in election campaign, therefore, no punitive action was taken in due regard against any official/organization or registered as pending.
- The Constitutional Court has not received any lawsuit against the alleged breaching of the laws in form of the misuse of state resources.
- Neither have the courts received similar lawsuits, the data as of 2004 yet to be compiled.
- The General Election Committee, on the contrary, received numerous written and verbal complaints on the misuse of public resources; yet due to unregulated status of such cases within the election law The GEC stance was that these issues were not of the Committee's competence of solution.

Number of official letters were submitted to the General Election Committee from the Mongolian People's Revolutionary party and the Democratic Coalition while requesting to impose fine or accountability to those who violated the laws, to stop any illegal activities, control law implementation and take appropriate measures against relevant bodies. For instance, in the official letters of the Motherland and Democratic Coalition:

- 1 Government organizations are giving a pressure to the candidates to make their PR and are participating in different ways. For instance, Mr. Batbaatar-candidate of the democratic coalition made a contract with private company on the advertisement board, but authorities were making different pressure to that private company and required to invalidate their contract with that candidate. It was also requested to stop involvement of the public institutions that are financed by taxpayers' money in the PR of the parties and coalition. /Official letter #6 dated May 24, 2004/
- 2 “Civil employees are working in the election campaign of the Mongolian People's Revolutionary Party candidates and abusing state resources. Therefore, it was required to stop such illegal activities according to the legally stated duties and responsibilities and create an environment for the fair election”. /Official letter #10 dated May 31, 2004/

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- 3 “Authorities are making public advertisement on television and radio without respecting general schedule for the parties. Therefore, please make them enforce the legislation approved by themselves” Authorities are also using their civil employees and cars in the campaign and it is violating Civil Service law, Law against Corruption and Parliament Election Law. Accordingly, State Audit Board and other relevant institutions need to take urgent measures to stop such illegal activities”. / Official letter #45 dated June 22, 2004./
- 4 “it was informed previously that Mr. Tsukhbaatar-candidate from the MPRP is using his employees in his election campaign. Today 140-150 employees of his organization (SSIGO) came to Tuv aimag, Erdenesant soum to vote for him. /Official letter #53 dated June 24, 2004./

Further evidence of the ineffectiveness of enforcement is provided by the GEC’s own figures on campaign spending.

The report reveals that parties and a coalition received 54.9 % of the total contribution to their campaigns in cash, and spent 65.6 % of all expenditures also in cash. Merely every party and a coalition received cash donation, which violated Clause 5, Article 5 of the Parliament Election Law stating “... All funds, including the primary asset of party, coalition or independent candidate, contribution from supporter individuals and organizations must be transferred to this account and all payments shall also be transferred solely via this account”. Likewise, of 1333.3 million tugrugs contributed to the Motherland-Democracy Coalition account, 241.9 million was spent by transaction from the account and the fate of the remaining 1091.5 million is unknown.

Funds still remaining in the accounts of Mongolian national Unity Party, Mongolian Liberal Party, Republican Party, and the Green Party were confiscated by the state, in accordance with the legal provisions as these parties delayed the submission of financial statements by period ranging from 6 to 33 days after the deadline.

In addition, the independent candidates spent the amounts ranging from 4 to 51.4 million tugrugs, majority of whom have never even opened the bank account, thus violated the law by solely relying on cash donation and cash spending in the campaign.

5.4. Cost estimations and impacts

Based on the methodology for cost calculation described in Section 2.3, the following estimates of campaign costs for the 2004 elections were produced.

I. Estimating the cost of political advertising

As a result of the media monitoring the cost of the Parliamentary election media promotion was estimated in monetary sense (tugrugs) taking into account the promotion materials appeared in the main media outlets of Mongolia.

The estimated total cost of political advertising was **1,140,100,000 tugrugs**. State owned media ran political advertisements worth 798,200,000 tugrugs or 70% of the total, and private owned media 342,200,000 tugrugs or 30%. Divide by party, the MPRP accounted for 656,400,000 tugrugs or 57,5%, and the Motherland-Democracy’ Coalition for 304,900,000 tugrugs or 26,7%.

Cost estimation of political advertisements (in million tugrugs)

	TV	RADIO	NEWSPAPER	Total	Percentage
MPRP	507.4	140.8	8.2	656.4	57.5

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Motherland-Democracy Coalition	229.4	71.7	3.8	304.9	26.7
Other political parties	132	33.5	0.8	166.3	14.5
Independent candidates	11	1.5	0	12.5	1
Total	879.8	247.5	12.8	1140.1	100

Cost estimation of political advertisements in state TV (in million tugrugs)

	MPRP	Motherland-Democracy Coalition	Other political parties	Independent candidates	Total	Percentage
MUTV	243.2	103.6	117.4	7.8	472	85.7
UBS	53	25.6	0	0	78.6	14.3
Total	296.2	129.2	117.4	7.8	550.6	100.0
Percentage	53.8	23.5	21.3	1.4	100.0	

Cost estimation of political advertisements in private TV (in million tugrugs)

Advertisements	MPRP	Motherland-Democracy Coalition	Other political parties	Independent candidates	Total	Percentage
TV5	201.2	30.2	11.4	2.9	245.7	27.9
TV25	9.9	68.1	3.1	0.2	81.3	9.2
TV9	0.1	1.9	0.1	0.2	2.3	0.3
Total	211.2	100.2	14.6	3.3	329.3	100.0
Percentage	64.1	30.4	4.4	1.0	100.0	

Cost estimation of political advertisements the 2 state-owned radio stations (in million tugrugs)

Advertisements	MPRP	Motherland-Democracy Coalition	Other political parties	Independent candidates	Total	Percentage
Mongolian National Radio	138.2	70.9	33.5	1.5	244.1	98.6
Ulaanbaatar radio	2.6	0.9	0	0	3.5	1.4
Total	140.8	71.8	33.5	1.5	247.6	100.0
Percentage	56.9	29.0	13.5	0.6	100.0	

Cost estimation of political advertisements in 10 newspapers (in million tugrugs)

Newspapers	MPRP	Motherland-Democracy Coalition	Other parties	Independents	Total
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Zuunii medee	0.5	1	0.4	0	1.9
Udriin sonin	0.4	0.6	0.2	0	1.2
Unuudur	0.4	0.2	0	0	0.6
Mongoliin medee	0.1	1	0	0	1.1
Khumuus	0	0.7	0.3	0	1
Mongolchuudiin amidral	0	0.4	0	0	0.4
Seruuleg	0	0	0	0	0
Zindaa	0	0	0	0	0
Total	1.4	3.9	0.9	0	6.2

II. Estimating the cost of hidden advertising in private media

By applying the same advertising rates used to calculate the estimated cost of political advertising to monitored hidden advertising, the project yielded an estimated total cost of hidden advertising in the private media of 1.535 billion tugrugs. The MPRP accounted for 1.219 billion, and the Motherland – Democracy Coalition 218 million tugrugs.

Hidden advertising in private TV (million tugrugs)

TV channels	MPRP	Motherland-Democracy Coalition	Other parties	Independents	Total amount
TV9	913.8	18.2	54.0	0.2	986.2
TV5	186.3	7.1	0.3	0.0	193.7
TV25	51.9	143.6	19.8	19.4	234.7
Total	1152	168.9	74.1	19.6	1414.6
Percentage					

Hidden advertising in private newspapers (million tugrugs)

Newspapers	MPRP	Motherland-Democracy Coalition	Other parties	Independents	Total
Zuunii medee	23.3	0.7	0.4	0.0	24.4
Seruuleg	12.3	1.8	0.0	0.2	14.3
Khumuus	10.0	2.2	1.0	0.3	13.2
Unuudur	8.0	4.6	0.6	0.6	13.8
Zindaa	5.7	1.1	0.0	0.1	6.9
Mongolchuudiin amidral	4.8	1.0	0.0	0.1	5.9
Udriin sonin	2.6	21.8	0.9	0.7	26
Mongoliin medee	0.0	15.6	0.0	0.0	15.6
Total	66.7	48.8	2.9	2	120.4

III. Estimating the cost of misuse of state resources in campaign events

1. Cost estimation of state-owned vehicles used in the campaign

In line with the calculation method outlined in Section 2.3, the following estimations of the cost of misusing state-owned vehicles were produced for each party. The calculations are based on the basic finding that 295 events were organized by the MPRP and 243 by the Motherland-Democracy Coalition. These figures and the total mileage monitored for each party yielded the following cost estimates.

Mongolian People’s Revolutionary Party:

Cost of the total number of events (295)	$50,316 \text{ km} \times 410 \text{ tugrugs} = 20,629,560 \text{ tugrugs}$
Cost of single event	$20,629,560 \text{ tugrugs} / 295 = 69930 \text{ tugrugs}$
Cost per election districts	$69930 \text{ tugrugs} \times 80 = 5,594,400 \text{ tugrugs}$
Cost of events at the national level	$5,594,400 \text{ tugrugs} \times 76 = \mathbf{425,174,400 \text{ tugrugs}}$

Motherland- Democracy Coalition:

Cost of the total number of events (243)	$1,050 \text{ km} \times 410 \text{ tugrugs} = 430,500 \text{ tugrugs}$
Cost of single event	$430,500 \text{ tugrugs} / 243 = 1,772 \text{ tugrugs}$
Cost per election districts	$1,772 \text{ tugrugs} \times 80 = 141,760 \text{ tugrugs}$
Cost of events at the national level	$141,760 \text{ tugrugs} \times 76 = \mathbf{10,773,760 \text{ tugrugs}}$

2. Cost estimation of the use of state premises

Estimates of the cost to the public purse of misuse of state premises are shown below, using the number of hours of use of state premises and average rental rate provided in Section 2.3.

Mongolian People’s Revolutionary Party:

Rent cost of total number of events (295)	$507 \text{ hours} \times 56660 \text{ tugrugs} = 28,726,620 \text{ tugrugs}$
Rent cost per event	$28,726,620 \text{ tugrugs} / 295 = 97,378 \text{ tugrugs}$
Rent cost per election district	$97378 \text{ tugrugs} \times 80 = 7,790,240 \text{ tugrugs}$
Rent cost of events at the national level	$7,790,240 \text{ tugrugs} \times 76 = \mathbf{592,058,240 \text{ tugrugs}}$

Motherland- Democracy Coalition:

Rent cost of total number of events (243)	$99 \text{ hours} \times 56,660 \text{ tugrugs} = 5,609,340 \text{ tugrugs}$
Rent cost per event	$5,609,340 \text{ tugrugs} / 243 = 23,084 \text{ tugrugs}$
Rent cost per election district	$23,084 \text{ tugrugs} \times 80 = 1,846,720 \text{ tugrugs}$
Rent cost of events at the national level	$1,846,720 \text{ tugrugs} \times 76 = \mathbf{140,350,720 \text{ tugrugs}}$

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Cost estimation of the engagement of public employees in election campaigns

Using the estimated cost per hour of a public employee (see Section 2.3), the following estimates of the cost of misuse of public employees were yielded.

Regarding the Mongolian People’s Revolutionary Party:

Cost of total number of events (295)	7720 hours x 1,000 tugrugs = 7,720,000 tugrugs (USD 6,542)
Cost per event	7,720,000 tugrugs / 295 = 26,170 tugrugs (USD 22)
Cost per election district	26,170 tugrugs x 80 = 2,093,600 tugrugs (USD 1,774)
Cost of events at the national level	2,093,600 tugrugs x 76 = 222,725,600 tugrugs (USD 188,750)

Regarding the Motherland- Democracy Coalition:

Cost of total number of events (243)	78 hours x 1,000 tugrugs = 78,000 tugrugs (USD 66)
Cost per event	78,000 tugrugs / 243 = 321 tugrugs (USD 0.27)
Cost per election district	321 tugrugs x 80 = 25,680 tugrugs (USD 21)
Cost of events at the national level	25,680 tugrugs x 76 = 1,951,680 tugrugs (USD 1,653)

IV. Estimating the cost of misuse of the state media

Applying the estimated political advertising rate to the monitored hidden advertising in state media yielded an estimated total cost of misuse of state media of [?]. Divided among parties, the MPRP accounted for 1,695,100,000 tugrugs, Motherland-Democracy Coalition 299,100,000 tugrugs, other parties 24,300,000 tugrugs, and independent candidates 2,900,000 tugrugs.

State TV channels: Hidden advertisement (in million tugrugs)

State TV	MPRP	Motherland-Democracy Coalition	Other parties	Independents	Total	Percentage
MUTV	989.5	17.7	17.4	0	1024.6	68.8
UBS	439.6	21.3	1.9	2.9	465.7	31.2
Total	1429.1	39	19.3	2.9	1490.3	100.0
Percentage	95.9	2.6	1.3	0.2	100.0	

State radio channels: Hidden advertisement (in million tugrugs)

Radio	MPRP	Motherland-Democracy Coalition	Other parties	Independents	Total	Percentage
Mongolian National Radio	243.6	3	5	0	251.6	92.9

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Ulaanbaatar	19.2	0	0	0	19.2	7.1
Total	262.8	3	5	0	270.8	100.0
Percentage	97.0	1.1	1.8	0.0	100.0	

State newspaper: Hidden advertisement (in million tugrugs)

Advertisement	MPRP	Motherland-Democracy Coalition	Other parties	Independents	Total
UB Times	3.3	0	0	0	3.3
Percentage	100	0	0	0	100

V. The total estimated cost of monitored misuse of state resources

Adding together the estimates of the total cost of misuse of the types of resources monitored yields an estimated total national cost of misuse of state resources. The estimated overall amount of misused state resources (state-owned vehicles, state premises, public employees) during the 2004 election campaign, by parties:

The estimated cost of misuse of state owned media was 1,764,400,000 tugrugs. In the campaign events, a rough estimated cost of misuse of institutional resources is 1,393,034,400 tugrugs. The estimate of the total cost of the monitored misuses of state resources during the election campaign is 3,157,700,000 tugrugs, of which the MPRP accounts for 2,935,058,240 tugrugs, while the Motherland-Democracy Coalition for the remaining 195,176,160 tugrugs.

VI. Comparisons of cost estimates with official party declarations

The above cost estimates derived from the monitoring are summarized in the following table:

Estimated costs of monitored campaigning activities

Campaigning activity	MPRP	Motherland - Democracy Coalition	All parties (tugrugs)
Hidden advertising in state media (misuse of media resources)	1.692 bn	39 m	1.764 bn
Misuse of institutional resources (public premises, personnel and vehicles)	1.24 bn	153 m	1.393 bn
Political advertising (state and private media)	656 m	305 m	1.140 bn
Hidden advertising in private media	1.219 bn	218 m	1.535 bn
All campaigning activities monitored			5.832 bn

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These figures can be directly compared with what parties (and independent) candidates officially declared that they spent. Under the SGH Election Law parties, coalitions and independent candidates are obliged to submit a campaign finance and expenditure report to the General Election Committee within one month of election day. The GEC must examine the reports and release the information contained therein to the public. The 2004 campaign finance and expenditure reports were released to the public on September 17, 2004 by the GEC. The figures provided by parties are summarized in below table.

Income and spending on the 2004 election campaign (official General Election Committee report)

Category	MPRP	Motherland – Democracy Coalition	All parties
Total income	1.189 bn	242 m	1.581 bn
Spending			
Advertising	785 m	197 m	1.048 bn
Meetings and events	214 m	9 m	296 m
Travel and transportation	34 m	4 m	77 m
Total spending	1.187 bn	242 m	1.558 bn

Interestingly, the estimated costs of political advertising did not diverge massively from the official figures, and in the case of the Motherland – Democracy Coalition was actually lower. However, comparison of the official figures for other components of campaigning with the estimated costs of campaigning activities monitored yields dramatic results:

- The estimated total cost of campaigning exceeds officially declared total spending by almost four times.
- The estimated total cost of misuse of state resources was more than double total declared campaign income and spending.
- The estimates cost of misuse of institutional resources for the purpose of organizing and holding events exceeded official spending on such events by more than four times
- The costs of misuse of the state media, misuse of institutional resources and hidden advertising in private media were *each* either higher than or close to the official *total* campaign spending figure and official total campaign income of parties.
- Misuse of state-controlled media was a more significant component of campaigning (in terms of its cost) than ordinary political advertising.
- According to the project estimates hidden advertising in private media represented the second most costly component of campaigning.

Box: The scale of misuse of state resources

Odriin Sonin daily published a transcript of the Cabinet session which discussed the 1.4 billion tugrugs budget deficit for the first five months of 2004. The deficit is similar in size to the estimated cost of misuse of institutional resources during the election campaign and smaller than the estimated cost of misuse of the state media, illustrating the scale of such misuses.

SIX. CONCLUSIONS AND RECOMMENDATIONS

6.1. Summary of conclusions

The following are the key findings of the monitoring:

1. Institutional and media resources were misused extensively and systematically during the election campaign. Much of the misuse of institutional resources stems from the use of public employees and government vehicles. The massive engagement of public employees undermined the provision of key public services during the campaign period, and in the case of health services resulted in deaths.
2. State-owned media provided systematically unequal and biased coverage to the ruling party.
3. Private media predominantly failed to provide balanced information and coverage of the election campaign, although the proportion of bias between the ruling party and opposition was considerably more equal than in the case of the state media.
4. The estimated costs of campaign activities monitored by the project massively exceeded official figures on spending on the same activities, with the exception of figures on political advertising.
5. It is likely that parties and candidates committed numerous violations of Mongolian laws, for example the Law on SGH Election, Law on Anticorruption, Law on Public Service, Law on Advertisement and Law on Media Freedom.
6. While the ruling MPRP was the overwhelming beneficiary of state resource misuse, violations by the opposition Motherland-Democratic Coalition were also monitored. This underlines the conclusion that both misuses of state resources in election campaigns and failure to observe campaign finance regulations in Mongolia are not just isolated actions of particular parties or candidates, but rather a systemic problem rooted in flaws in the legal and regulatory environment.

6.2. Factors behind the misuse of state resources

In addition to the political dominance of one ruling party during the election campaign, the wider legal and regulatory environment provides an environment that is highly conducive to misuse of state resources. Especially, legal regulations governing elections, abuse of power, public administration and the state media are weak or otherwise inadequate, and the system for enforcing the provisions that exist is weak or non-existent. The main areas in which the project results indicate the legal and regulatory environment is inadequate and requires reform are the following:

- 1 Legal regulations that would prohibit the use of public resources in election campaigns are absent regarding campaign events and vague in the case of media campaigning
- 2 Sanctions for violation of existing prohibitions on the misuse of state resources and other provisions of electoral regulations are very weak
- 3 The system for supervising observation of electoral regulations and for processing complaints about violations is unclear and does not make it compulsory for electoral commissions to deal with violations.
- 4 The composition of electoral commissions has been systematically and strongly biased in favour of one party.

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- 5 National public media have remained state-owned and directly subordinate to the Government.
- 6 There is a clear lack of legal provisions requiring transparent campaign financing, and no functioning mechanism for enforcing the provisions that do exist.

6.3 Recommendations

The project yields the following outline recommendations.

Improving the election laws

1. To introduce new provisions in the Election laws prohibiting public officials and civil servants from engaging in election campaigning in their official capacity or calling for support for a particular party or candidate. In addition, to introduce new provision to specifically prohibit public officials who are candidates from using state resources including office resources assets, equipment, other financial resources and civil servants for their campaign proposes.
2. Transparency rules for party financing, donations and contributions must be enacted, such as legislating provisions for mandatory, annual and open to public declarations of the political parties’ asset, income and expenditures. It should be considered whether to require parties and candidates to declare any use of state resources as a donation, with detailed provisions on how the value of such donations should be calculated.
3. Effective supervision of the candidates’ campaign financing, contributions and expenditures must be established - for example an independent financial audit - and its activities be available to the public.
4. To define clear responsibility for violation or all the above provisions, and adequate sanctions for violation - for example, the candidate could be removed from the list of nominees for a repeated misconduct of engaging public employees to work for election campaign.

Enforcement

1. The independent status of the GEC must be fully realized; thus, procedure of appointment of the GEC members, as well as of the district election committees and subcommittees should be reformed so that the overwhelming representation of one party or coalition is prohibited. This might be achieved by mandating equal representation of different parties/coalitions, or by changing the GEC to an entirely professional institution free of party representatives.
2. A clear system for dealing with violations of electoral law should be established, and in particular for processing complaints by parties, candidates or other groups/citizens. These provisions should include the duty of electoral commissions and/or courts (as relevant) to process such complaints within a sufficiently short time period.

Media

General provisions

1. Media or other provisions should provide a clear definition of hidden advertising that would apply also to biased election campaign coverage, and prohibit it.
2. It should be considered whether to restrict political advertising in broadcasting media, in order to prevent the broadcasting of lengthy sponsored programs. In addition, it should be considered whether to restrict the total amount of political advertising permitted in broadcasting media.
3. Provisions on paid political advertising should be clarified to ensure that such advertising is explicitly and clearly labeled, and that parties and candidates are subject to the same conditions and tariffs in each media outlet.
4. The GEC should be responsible for dealing with complaints regarding biased election coverage.

State-owned broadcasting media

1. State-owned media, namely the Mongolian National Television, Mongolian National Radio should be transformed into public service media, and their independent status guaranteed in law.
2. The public service media should be regulated by a broadcasting council whose rules of composition are designed to ensure balance and professionalism. Their financing should be designed to ensure predictability of funding and prevent funding being subject to short-term political decisions. Management positions should be occupied by open tenders and on non-political criteria.
3. UBS TV and Ulaanbaatar Radio should be privatized. Clause of the Law on Capital city legal status stating that the capital city may operate the city media shall be revoked in accordance with the 1998 Media Freedom Law, which prohibited government agencies from running a media. A similar approach should be pursued for local media run by local governments.

Regulation of private broadcasting

1. The independent status of the Radio and Communication Regulatory Committee should be guaranteed by law and secured by a transparent process for appointing its members from a broad range of institutions. The Committee should have clearly defined powers to enforce provisions on balanced coverage.
2. Broadcasting licenses should be awarded on the basis of open tenders and clearly defined criteria. The Committee should have the power to withdraw a broadcasting license in the event of serious violations of media law and *inter alia* election campaign regulations.

Media self-regulation.

1. Media self-regulatory instruments such as codes of ethics should be created based on international experience. Such instruments should contain explicit provisions relating to coverage during election campaigns.

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PROJECT CALENDAR

	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
April	5	6	7	8 Announcement of the election date	9	10	11
April	12	13	14	15	16 Constituencies created	17	18
April	19 Information packages circulated to all stakeholders	20	21	22 Names of candidates identified / until 27 /	23 Project launching press conference	24	25
April /May	26 Start of monitoring	27	28	29	30	1	2
May	3	4	5	6	7	8	9
May	10	11	12	13	14	15	16
May	17	18	19	20	21	22	23
May	24	25	26	27	28	29	30
May/June	31	1	2	3	4	5	6
June	7	8 Interim monitoring report - press conference	9	10	11	12	13
June	14	15	16	17	18	19	20
June	21	22	23	24	25	26	27 Election day End of monitoring
June/July	28	29	30	1	2	3	4
July	5	6	7	8	9	10	11
July	12	13	14	15	16	17	18

- Monitoring period

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Annex

EVENT MONITORING FORM

1. Name of candidate:			2. Party name:			
Type of event: Meeting (M) , Entertainment (E) , Seminar (S) , Distribution of materials (DM) –Please circle the alphabet, which is in bracket.						
Date	Place		Duration	Participants		Documentation \number of film\
	Government	Private		<i>Candidates, government officers</i>	<i>Audiences</i>	
	<input type="checkbox"/> Free <input type="checkbox"/> Paid <input type="checkbox"/> Don't know know	<input checked="" type="checkbox"/> Free <input checked="" type="checkbox"/> Paid <input checked="" type="checkbox"/> Don't		Candidate - State employees -		

Engagement of state employees in campaign activities		Use of public vehicles for campaign purposes	
<i>1. Name and position of state employees</i>	2. Expended time in event	<i>1. Car mark and number</i>	<i>2. Dis</i>
1.		1.	
2.		2.	
3.		3.	
4.		4.	
5.		5.	

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6.		6.	
7.		7.	
<u>Witness:</u> 1. 2.		<u>Name and signature of monitor:</u>	

<u>Comments</u>

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